

107TH CONGRESS
1ST SESSION

H. R. 706

To direct the Secretary of the Interior to convey certain properties in the vicinity of the Elephant Butte Reservoir and the Caballo Reservoir, New Mexico.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 2001

Mr. SKEEN introduced the following bill; which was referred to the Committee on Resources

A BILL

To direct the Secretary of the Interior to convey certain properties in the vicinity of the Elephant Butte Reservoir and the Caballo Reservoir, New Mexico.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Lease Lot Conveyance
5 Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 (a) FINDINGS.—The Congress finds that the convey-
8 ance of the Properties to the Lessees for fair market value
9 would have the beneficial results of—

1 (1) eliminating Federal payments in lieu of
2 taxes and associated management expenditures in
3 connection with the Government’s ownership of the
4 Properties, while increasing local tax revenues from
5 the new owners;

6 (2) sustaining existing economic conditions in
7 the vicinity of the Properties, while providing the
8 new owners of the Properties the security to invest
9 in permanent structures and improvements;

10 (3) adding needed jobs to the county in which
11 the Properties are located and increasing revenue to
12 the county and surrounding communities through
13 property and gross receipt taxes, thereby increasing
14 economic stability and a sustainable economy in one
15 of the poorest counties in New Mexico; and

16 (4) eliminating expensive and contentious dis-
17 putes between the Secretary, the Lessees and the
18 two irrigation districts in the Rio Grande Project
19 while ensuring that the Federal Government and
20 those districts receive full and fair value for the sale
21 of the Properties.

22 **SEC. 3. DEFINITIONS.**

23 In this Act:

24 (1) **FAIR MARKET VALUE.**—The term “fair
25 market value” means, with respect to a parcel of

1 property, the value determined by an independent
2 appraiser approved by the Secretary, the purchaser,
3 and each of the Irrigation Districts, based on—

4 (A) treatment of the property as unim-
5 proved land; and

6 (B) a market comparison of similar prop-
7 erties in the immediate geographic area of the
8 appraised parcel.

9 (2) IRRIGATION DISTRICTS.—The term “Irriga-
10 tion Districts” means the Elephant Butte Irrigation
11 District and the El Paso County Water Improve-
12 ment District No. 1.

13 (3) LESSEE.—The term “Lessee” means the
14 leaseholder of a Property on the date of enactment
15 of this Act, and any heir, executor, or assign of the
16 leaseholder with respect to that leasehold interest.

17 (4) PROPERTY.—The term “Property” means
18 any of the cabin sites comprising the Properties.

19 (5) PROPERTIES.—The term “Properties”
20 means all the real property comprising 403 cabin
21 sites under the administrative jurisdiction of the Bu-
22 reau of Reclamation that are located along the west-
23 ern portion of the reservoirs in Elephant Butte State
24 Park and Caballo State Park, New Mexico, including
25 easements, roads, and other appurtenances. The

1 exact acreage and legal description of such real
2 property shall be determined by the Secretary after
3 consulting with the Purchaser.

4 (6) PURCHASER.—The term “Purchaser”
5 means the Elephant Butte/Caballo Leaseholders As-
6 sociation, Inc., a nonprofit corporation established
7 under the laws of New Mexico.

8 (7) RESERVOIRS.—The term “reservoirs”
9 means the Elephant Butte Reservoir and the Caballo
10 Reservoir in the State of New Mexico.

11 (8) SECRETARY.—The term “Secretary” means
12 the Secretary of the Interior.

13 **SEC. 4. CONVEYANCE OF PROPERTIES.**

14 (a) IN GENERAL.—The Secretary shall convey to the
15 Purchaser in accordance with this Act, subject to valid ex-
16 isting rights, all right, title, and interest of the United
17 States in and to the Properties and all appurtenances
18 thereto, including specifically easements for—

19 (1) vehicular access to each Property;

20 (2) drainage; and

21 (3) access to and the use of all ramps, retaining
22 walls, and other improvements for which access is
23 provided under the leases that apply to the Prop-
24 erties as of the date of the enactment of this Act.

1 (b) CONSIDERATION.—As consideration for any con-
2 veyance under this section, the Secretary shall require the
3 Purchaser to pay to the United States fair market value
4 of the Properties.

5 **SEC. 5. TERMS OF CONVEYANCE.**

6 (a) SPECIFIC CONDITIONS.—As conditions of any
7 conveyance to the Purchaser under this Act, the Secretary
8 shall require the following:

9 (1) LEASEHOLDERS' OPTION.—The Purchaser
10 shall grant to each Lessee of a Property an option—

11 (A) to purchase the Property at fair mar-
12 ket value; or

13 (B) to continue leasing the Property on
14 terms to be negotiated with the Purchaser.

15 (2) ADMINISTRATIVE COSTS.—Any reasonable
16 administrative cost incurred by the Secretary inci-
17 dent to the conveyance under section 6 shall be re-
18 imbursed by the Purchaser.

19 (b) RESTRICTIVE USE COVENANT.—

20 (1) IN GENERAL.—To maintain the unique
21 character of the area in the vicinity of the Res-
22 ervoirs, the Secretary shall establish, by the terms of
23 conveyance, use restrictions to carry out paragraph

24 (2) that—

1 (A) are appurtenant to, and run with, each
2 Property; and

3 (B) are binding upon each subsequent
4 owner of each Property.

5 (2) ACCESS TO RESERVOIRS.—The use restric-
6 tions required by paragraph (1) shall ensure that—

7 (A) public access to and along the shore-
8 line of the Reservoirs in existence on the date
9 of enactment of this Act is not obstructed;

10 (B) adequate public access to and along
11 the shoreline of the Reservoirs is maintained;
12 and

13 (C) the operation of the Reservoirs by the
14 Secretary or the Irrigation Districts shall not
15 result in liability of the United States or the Ir-
16 rigation Districts for damages incurred, as a di-
17 rect or indirect result of such operation, by the
18 owner of any Property conveyed under this Act,
19 including—

20 (i) damages for any loss of use or en-
21 joyment of a Property; and

22 (ii) damages resulting from any modi-
23 fications or construction of any reservoir
24 dam.

1 (d) TIMING.—The Secretary shall make every effort
2 to complete all actions necessary for the conveyance of the
3 Properties by the Secretary under this Act not later
4 than—

5 (1) 1 year after the date of enactment of this
6 Act; and

7 (2) 90 days after the receipt and approval by
8 the Purchaser of a survey of the Properties.

9 (e) PAYMENT OF CONSIDERATION.—The Secretary
10 shall provide the Purchaser 36 months, beginning on the
11 date of conveyance of the Properties to the Purchaser, to
12 pay the consideration required for the conveyance of the
13 Properties to the Purchaser.

14 (f) REIMBURSEMENT OF PURCHASER’S COSTS.—The
15 terms of conveyance shall authorize the Purchaser to re-
16 quire each Lessee to reimburse the Purchaser for a pro-
17 portionate share of the costs incurred by the Purchaser
18 in completing the transactions pursuant to this Act, in-
19 cluding any interest charges.

20 **SEC. 6. RESOLUTION OF CLAIMS AND DISPUTES.**

21 After conveyance of the Properties to the Purchaser,
22 if any Lessee has a dispute with or claim against the Pur-
23 chaser or any of its officers, directors, or members arising
24 from the Properties, the Lessee shall promptly give writ-
25 ten notice of the dispute or claim to the Purchaser. If such

1 notice is not provided to the Purchaser within 20 days
2 after the date the Lessee knew or should have known of
3 such dispute or claim, then any right of the Lessee for
4 relief based on such dispute or claim shall be waived. If
5 the Lessee and the Purchaser are unable to resolve the
6 dispute or claim by mediation, the dispute or claim shall
7 be resolved by binding arbitration.

8 **SEC. 7. USE OF PROCEEDS.**

9 Amounts received as proceeds under this Act shall be
10 deposited in the reclamation fund on behalf of the Rio
11 Grande Project and shall be made immediately available
12 to the Irrigation Districts under the distribution scheme
13 set forth in subsection I of section 4 of the Act of Decem-
14 ber 5, 1924 (43 U.S.C. 501).

15 **SEC. 8. FEDERAL RECLAMATION LAW.**

16 No conveyance under this Act shall restrict or limit
17 the authority or ability of the Secretary to fulfill the duties
18 of the Secretary under the Act of June 17, 1902 (32 Stat.
19 388, chapter 1093), and Acts supplemental to and amend-
20 atory of that Act (43 U.S.C. 371 et seq.).

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